GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

STARRED QUESTION NO:29
ANSWERED ON:27.02.2007
REGENERATION PROGRAMME OF TRADITIONAL INDUSTRIES
Chitthan Shri N.S.V.

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether a scheme for National Programme on Rural Industrialisation (NPRI) was formulated during 1999-2000;

(b): if so, the salient features of the scheme;

(c): whether the above scheme has now been subsumed in the recently launched `Scheme of Fund for Regeneration of Traditional Industries (SFURTI)`;

(d): if so, the reasons therefore;

(e): the details and present status of the projects identified under rural clusters for developing rural industries in States particularly in Tamil Nadu under SFURTI, State-wise; and

(f): the details of funds sanctioned/allocated and expenditure incurred on each project during each of the last three years, State-wise and project-wise?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(f): A statement is laid in the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NUMBER29 FOR ANSWER ON 27.02.2007

(a)&(b): Yes, Sir. As per the announcement made by the then Finance Minister in his budget speech in 1999-2000, a Scheme `National Programme on Rural Industrialisation` (NPRI) was launched in 2001-2002 with a view to setting up 100 rural industrial clusters in the country every year, for a period of five years, for boosting the rural economy. The programme provided for extending financial assistance upto Rs. 5 lakh per rural industrial cluster for promotional interventions such as diagnostic study, demonstration and development of modern tools & kits and other technical inputs, training and strengthening of the Non- Government Organization/cluster agent, setting up of Common Facility Centre, conducting seminars, workshops, training programmes, etc., required for development of the selected clusters.

(c)&(d): Yes, Sir. While formulating the Scheme of Fund for Regeneration of Traditional Industries (SFURTI), the Ministry of Finance and also the Planning Commission had advised that `Schemes with overlapping objectives and coverage should be proposed for merger with the new scheme to avoid duplication of effort, resources and responsibilities`. Considering the comprehensive and holistic scope of SFURTI for development of clusters with the view to making the traditional industries more productive and competitive and to increase the employment opportunities in the rural areas of the country and as advised by Ministry of Finance and Planning Commission, NPRI scheme has been subsumed under SFURTI in 2005.

(e): 104 clusters of khadi, village industries and coir have been approved/identified under SFURTI covering all the States of the country. The State wise details of clusters approved/identified under SFURTI including the State of Tamil Nadu are at Annex.

(f): Ministry of Agro and Rural Industries does not release funds directly to the States or projects under SFURTI. The Ministry releases funds to Khadi and Village Industries Commission (KVIC) and Coir Board who are the nodal agencies for implementation of SFURTI which are responsible for holding and disbursement of funds. However, funds sanctioned to KVIC and Coir Board by the Ministry during last three years are as under.

Year	KVIC	Coir Board	Total
2004-05#	-	-	-
2005-06	1.12	0.38	1.50
2006-07 (up to 31.12.2006)	7.97	3.56	11.53

The project is scheduled for a period of five years. The approach is a holistic one involving identification of clusters, implementing agencies, cluster development agencies and technical agencies, training of nodal agencies, technical agencies, cluster development agents, preparation of detailed project reports, diagnostic reports, provision of common facility centres, etc.The funds released so far are intended for training of officials of Nodal Agencies, Implementing Agencies, Technical Agencies and Cluster Development Agents. This will be followed by preparation of Diagnostic Reports and Action Plans, followed thereafter by actual implementation. Thus, the projects are scheduled to progress in a phased manner systematically, in due course of time.